



# “Building Communities Together”

A Networking Tool of HUD's Center for Community and Interfaith Partnerships

Special Budget FY2000 Addendum

Feb 4, 1999

## OPENING DOORS FOR MORE AMERICANS

In a speech to the U.S. Conference of Mayors previewing HUD's FY 2000 Budget, President Clinton noted the “remarkable role that HUD has played in the last six years, not only in helping to grow the American Dream in our cities, but also to reinvent the Department of Housing and Urban Development, to make it smaller and able to invest more and have a bigger impact out there where people live.”

With a requested increase of \$2.5 billion, the HUD budget funds initiatives to revitalize economically distressed communities with new jobs and business growth, to help welfare recipients and others get jobs and become self supporting, and to increase the supply of affordable housing with new rental assistance vouchers and other actions.

“This budget will open doors for more Americans,” Secretary Cuomo said. “The budget increases funding for virtually every major HUD program and will enable HUD to help lead communities into the new century.” Taken as a whole, this budget addresses five major challenges our communities will face in the 21st century:

### #1 ENSURING COMMUNITIES ARE ECONOMICALLY COMPETITIVE.

In this rapidly changing global economy, HUD's economic development mission becomes more important than ever. It enhances programs with a proven track

record - that give communities all across this country much needed resources and flexibility.

**Empowerment Zones (\$150 million).** \$100 million over 10 years in flexible funds for each of the 15 newly designated urban Empowerment Zones plus \$3 million grants to each of 15 newly named Strategic Planning Communities.

**Community Empowerment Fund (\$125 million).** A combination of grants and loan guarantees to create 100,000 needed jobs in distressed urban areas, emphasizing Administration-wide policy priorities, including Welfare-to-Work targeted job creation and city-suburb business connections. It will also enable the creation of the first truly private secondary market for economic development loans.

**The America's Private Investment Companies, or APIC (\$37 million).** This initiative is key to creating more jobs and will leverage \$1.5 billion in private equity investment for distressed urban and rural areas.

**Community Development Block Grant (\$4.775 billion).** Contributing to vital community infrastructure, housing, and economic development, CDBG — the most flexible federal aid to localities/communities — is up \$25 million to \$4.775 billion for FY 2000.

**Youthbuild and the President's Youth Initiative(\$75 million).** In 1999 alone,

## Message From the Center

Last month in “Building Communities Together” the Center for Community and Interfaith Partnerships highlighted some of the points made in President Clinton's State of the Union address.

In a briefing on February 1, 1999, HUD Secretary Andrew Cuomo outlined for many of our partners, the fine points of the HUD FY 2000 Budget. At this time we would like to share with you some of the points you may find the most exciting.

For more information or to request a copy of HUD's FY 2000 Budget Summary, please contact the Center for Community and Interfaith Partnerships at 1-800-308-0395 or 202/708-2404 or [Centers\\_for\\_Communities@hud.gov](mailto:Centers_for_Communities@hud.gov). A complete summary is also available at HUD's Website at <http://www.hud.gov/bdfy2000/fy2000.html>.

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the HUD-administration Youthbuild program will serve between 5,000 and 6,000 disadvantaged youth. To fulfill HUD's responsibilities within the broader Youth Initiative, the Youthbuild program will be increased from \$45 million in 1999 to \$75 million in 2000.

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**Drug Diversion Program (\$100 million).** HUD is also refocusing and targeting \$100 million in Drug Elimination Grants Program (total request \$310 million) to reduce youth crime dependency on drugs. The youth-oriented Drug Diversion program is a Administration-wide effort that will steer America's most vulnerable residents — its youth — away from drugs and into long-term employment and self-sufficiency.

## **#2 MAKING HOUSING AFFORDABLE.**

This budget increases HUD's commitment to its core mission: providing "a decent, safe, and sanitary living environment for every American" and it redoubles efforts to assist some of our most vulnerable citizens: the homeless, the disabled, people with AIDS/HIV, and those Native Americans living on reservations in poverty.

**The HOME Program for Affordable Housing (\$1.610 billion).** This housing rehabilitation and production program helps increase the stock of affordable standard rental housing; improves substandard housing; and assists new home buyers through acquisition construction and rehabilitation of housing. This program opens doors by providing 84,400 additional units of decent, safe and affordable housing.

**Rural Housing and Economic Development.** Proposed \$20 million to encourage new and innovative approaches to addressing the housing and economic development needs of the Nation's rural housing populations.

**100,000 new vouchers to meet worst case housing needs.** This budget proposes 100,000 new vouchers to meet the needs of the poorest renters. 42,000 will go to meet a variety of worst case housing needs; 25,000 to expand the pool of critical Welfare-to-Work vouchers; 18,000 for homeless persons, to ensure the availability of per-

manent housing solutions at the end of the Continuum of Care; and 15,000 targeted to elderly persons.

**Citizens Volunteer Housing Corps (\$5 million).** Supported by a \$5 million set-aside in CDBG, the Corps will tap into the spirit of civic pride and expand the stock of affordable housing. Working through mayors, community groups and especially faith-based groups, HUD will bring together a group of housing rehab experts in up to 80 cities to train local teams to do housing reconstruction. Building materials will be provided by the National Partners in Homeownership.

**The Continuum of Care for the nation's homeless persons (\$1.12 billion).** Funding for homelessness has been increased by \$150 million. The increase in homeless assistance, plus 18,000 new vouchers to create permanent housing solutions, will address the housing needs of the most vulnerable Americans.

## **#3 MOVING CLOSER TO ONE AMERICA.**

This budget significantly increases HUD's Fair Housing programs - programs that at their heart say there will never be One America until there is the opportunity of equal access for all.

**One America: Fighting housing discrimination (\$47 million).** Last year, President Clinton announced his commitment to doubling the number of fair housing enforcement actions by the year 2000. To help complete this effort, HUD will increase the Fair Housing Enforcement budget by 18 percent — to a total of \$47 million.

## **#4 FINDING REGIONAL SOLUTIONS AND CREATING SUSTAINABLE COMMUNITIES.**

Never before has the growth and more importantly, the health and vibrancy, of our cities and suburbs, our small towns and rural areas, been so dependent on one another. That is why this budget invests in programs like Regional Connections and the resources to redevelop

Abandoned Buildings and Brownfields.

## **Regional Connections (\$50 million).**

As part of a broader Livability Agenda recently announced by the Vice President, HUD is proposing \$50 million in competitive grant funds that states, partnerships of local governments, businesses, non profits, and community groups can use to develop smarter growth strategies across jurisdictions.

## **Abandoned Buildings Initiative**

**(\$50 million).** This initiative will turn "Brown yards into Backyards" by addressing some of the primary sources of blight in our urban neighborhoods: abandoned apartment houses, single family homes, warehouses, and even office buildings. Through this initiative, HUD will provide \$50 million in competitive grants to local Governments to support the demolition of blighted abandoned buildings as part of a comprehensive plan to redevelop properties for commercial or for residential use.

## **#5 THE AGING OF AMERICA.**

Just as we are committed as a nation to saving Social Security, we must also be committed to housing security for older Americans. We owe it this generation to do our part to make sure their lives are happy, healthy and secure. That is why this budget includes an innovative and historic housing commitment - a Continuum of Care - for the elderly.

## **A comprehensive housing security plan for the elderly (\$747 million).**

HUD's budget lays out a plan to meet the changing housing needs of our nation's elders and to provide security and peace of mind to coming generations of senior citizens. Priority budget items are \$660 million for Section 202 Housing for the Elderly, including reforms to allow conversion of existing buildings where seniors need assisted living, and \$87 million for 15,000 housing vouchers targeted to elderly persons.